



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
Washington, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

February 23, 2007

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MEMORANDUM FOR EXAMINATION AREA DIRECTORS

FROM: *for* K. Steven Burgess */s/ Monica L Baker*
Director, Examination

SUBJECT: Substitute for Return Processing Guidelines

This memorandum is being issued to emphasize the correct procedure for processing a Substitute-for-Return under the provisions of IRC Section 6020(b). A signed and dated Form 13496, IRC Section 6020(b) Certification, accompanied with the documents listed therein constitutes a valid 6020(b) return. Adherence to these procedures is necessary to ensure failure-to-pay penalties are sustained in Tax Court.

To properly establish a valid 6020(b) return, examiners must:

1. Complete Form 13496, signed with a live signature, dated on or immediately after the date showing on the associated Forms 4549-A and 886-A. If the amounts on Forms 4549-A and 886-A change, a new Form 13496 must be signed and dated on or immediately after the new date shown on the associated Forms 4549-A and 886-A.
2. Line 1 of Form 13496 (Rev. 4-2005) on RGS under the "waivers" application requires the originator to attach a transcript of the account to the certification. The current version of Form 13496 (Rev. 10-2005) on <http://publish.no.irs.gov> removes the requirement for a transcript. Use the latest revision whenever possible; otherwise, if you use the Form 13496 (Rev. 4-2005), you must include the transcript, a copy of which is dated and printed on the same date or prior to the date that you sign the Form 13496. It is expected that RGS will incorporate the latest revision of the form in its April 2007 update.
3. Once the Form 13496 has been signed and dated (**Note: RGS does not auto-populate the signature box; a valid signature must be entered manually**), attach it to the Forms 4549-A and 886-A (along with the transcript of account, if required) and place it in the examination file.

Following these guidelines will ensure that the criteria in Treas. Reg. 301.6020-1T for creating a valid 6020(b) return has been met.

If you have any questions, please contact Sherri Brown, Director, Examination Policy or a member of your staff may contact Bob Curran, Senior Analyst.

cc: www.irs.gov